

1-1 By: Harris S.B. No. 1617
1-2 (In the Senate - Filed March 8, 2007; March 21, 2007, read
1-3 first time and referred to Committee on Transportation and Homeland
1-4 Security; April 23, 2007, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 9, Nays 0;
1-6 April 23, 2007, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1617 By: Brimer

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the collection of motor vehicle sales taxes on
1-11 seller-financed sales by dealers and the registration of finance
1-12 companies related to those dealers.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Section 152.047, Tax Code, is amended by adding
1-15 Subsection (g-1) to read as follows:

1-16 (g-1) Subsection (g) does not apply to a transaction by a
1-17 dealer, as defined by Section 503.001, Transportation Code, in
1-18 which the dealer:

1-19 (1) sells a purchaser's account to a person registered
1-20 under Section 152.0475 as a related finance company; or

1-21 (2) grants a security interest in a purchaser's
1-22 account but retains custody and control of the account and the right
1-23 to receive payments in the absence of a default under the security
1-24 agreement.

1-25 SECTION 2. Subchapter C, Chapter 152, Tax Code, is amended
1-26 by adding Section 152.0475 to read as follows:

1-27 Sec. 152.0475. REGISTRATION OF RELATED FINANCE COMPANY.

1-28 (a) "Related finance company" means a person in which at least 80
1-29 percent of the ownership is identical to the ownership of a dealer,
1-30 as defined by Section 503.001, Transportation Code.

1-31 (b) The comptroller shall establish a registration system
1-32 for related finance companies under this section.

1-33 (c) A related finance company may annually register with the
1-34 comptroller on a form prescribed by the comptroller. The
1-35 comptroller shall make the forms available to the public.

1-36 (d) The comptroller may charge an annual fee for each
1-37 registration. The fee may not exceed \$600.

1-38 (e) The comptroller may adopt rules to implement this
1-39 section.

1-40 SECTION 3. The change in law made by this Act does not
1-41 affect taxes imposed before the effective date of this Act, and the
1-42 law in effect before the effective date of this Act is continued in
1-43 effect for purposes of the liability for and collection of those
1-44 taxes.

1-45 SECTION 4. This Act takes effect July 1, 2007, if it
1-46 receives a vote of two-thirds of all the members elected to each
1-47 house, as provided by Section 39, Article III, Texas Constitution.
1-48 If this Act does not receive the vote necessary for immediate
1-49 effect, this Act takes effect September 1, 2007.

1-50 * * * * *